

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-473-W/S

IN RE:)
)
Application of Tega Cay Water)
Service, Inc. for adjustment of)
rates and charges and modifications to)
certain terms and conditions for the)
provision of water and sewer service.)
_____)

DIRECT TESTIMONY
OF
CARL DANIEL

1 **Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is Carl Daniel, and my business address is 5701 Westpark Drive, Suite
3 101, Charlotte, NC 28217.

5 **Q. WHAT IS YOUR CURRENT POSITION OF EMPLOYMENT?**

6 A. I am the Regional Vice-President for Utilities, Inc. with oversight responsibility
7 for the South Carolina operations, including the operations of Tega Cay Water Service,
8 Inc., which I will refer to as “TCWS” or the “Company.” In addition to South Carolina,
9 I also oversee operations in other Southeastern and Mid-Atlantic States.

10

11 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

12 A. I hold a Master's Degree in Business Administration from Pfeiffer University in
13 North Carolina, and I have thirty five (35) years in the water and wastewater industry. I

1 joined Utilities, Inc. (“UI”) – the parent company of TCWS - in 1974. With Utilities, Inc.,
2 I have held a wide range of positions, including operator, operating manager, area
3 manager, regional director, and my current position as Regional Vice President. As these
4 positions suggest, during my career I have both operated and managed water distribution
5 and supply systems and wastewater collection and treatment facilities. I have also
6 overseen the completion of major capital improvements and served as UI’s spokesperson
7 with regard to matters related to health, environment, and utility regulations in several
8 states.

9
10 **Q. WOULD YOU DESCRIBE YOUR EXPERIENCE IN TESTIFYING BEFORE**
11 **STATE UTILITY COMMISSIONS REGARDING RATE CASES?**

12 A. Yes. I have testified before the commissions in North Carolina, South Carolina,
13 Maryland, and Virginia.

14
15 **Q. MR. DANIEL, WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
16 **PROCEEDING?**

17 A. The purpose of my testimony is to provide the Commission with a brief overview
18 of the TCWS’s operations, as well as our continued efforts to provide our customers with
19 the best possible service. Also, I will support the Company’s request to modify certain
20 terms and conditions of its rate schedule.

21
22 **Q. MR. DANIEL, WOULD YOU BRIEFLY DESCRIBE THE COMPANY’S WATER**
23 **AND SEWER OPERATIONS HERE IN SOUTH CAROLINA?**

1 A. Yes. The Company currently serves over 1780 water customers in York County,
2 South Carolina through the purchase and resale of bulk water. The Company also serves
3 over 1690 wastewater customers in this area through our collection facilities and three (3)
4 existing wastewater treatment plants.

5
6 **Q. DOES THE COMPANY TAKE STEPS TO ENSURE THAT CUSTOMERS ARE**
7 **RECEIVING QUALITY SERVICE?**

8 A. Certainly. The Company employs many operational and capital improvements
9 programs to ensure that all our customers receive quality service. To meet this
10 responsibility, our company must hire and maintain a highly qualified and professional
11 staff of individuals both in the office and in the field. We also continue to make customer
12 satisfaction the primary responsibility of each and every TCWS employee.

13
14 **Q. WHAT ONGOING PROGRAMS DOES THE COMPANY HAVE IN PLACE TO**
15 **HELP ENSURE THAT CUSTOMERS RECEIVE QUALITY SERVICE?**

16 A. Communication with our customers and community leaders regarding issues
17 which may have an impact on the quality or cost of service is an important aspect of our
18 business. As increased environmental regulation continues to place upward pressure on
19 the cost of providing service, it becomes more important for us to inform customers of
20 the measures we must take to ensure that their drinking water is safe and that their
21 waterways are protected. Included in these customer communication efforts are
22 attendance at Property Owners Association ("POA") meetings when we are notified,
23 customer letters, bill inserts and back-of-the-bill messages, the submission of information
24 to local media outlets, along with annual Consumer Confidence Reports detailing the

1 Safe Drinking Water Act compliance. As discussed by Company Witness Haas, the
2 Company also holds periodic staff meetings to address utility service concerns.

3 In addition, the Company has implemented an automatic message delivery system
4 (“Voice Reach”) whereby we are able to provide specific information to customers in a
5 particular geographic area or subdivision, advising them of any upgrades/repairs or
6 maintenance being done to their system. We are also able to notify customers in advance
7 of scheduled work, periodic flushing of the water system, along with issuing boil water
8 advisories as applicable following certain water line repairs, or other updates regarding
9 work being completed. With each of these Voice Reach communications which includes
10 the Office of Regulatory Staff, we also email a follow-up copy of the information directly
11 to a number of ORS staff as well as DHEC personnel.

12
13 **Q. MR. DANIEL, WHAT STEPS HAVE BEEN TAKEN TO IMPROVE CUSTOMER**
14 **SERVICE?**

15 A. There have been several. One step has been to centralize customer service
16 functions into call centers which are directly overseen by our national Customer Service
17 Manager, Karen Sasic. I would note that, to the extent any customer service issues arise
18 in this case, Ms. Sasic will be available to provide testimony to the Commission. For
19 TCWS, customer service is handled primarily out of our Charlotte, North Carolina call
20 center. Another step has been the installation of new billing software.

21
22 **Q. HAS THE COMPANY’S TRANSITION TO ITS NEW BILLING SOFTWARE**
23 **IMPROVED CUSTOMER SERVICE?**

1 A. Yes, it has. The transition to Customer Care and Billing (“CC&B”) from UI’s
2 previous customer and billing system (the “Legacy System”), resulted in many
3 improvements relating to customer service functions. For instance, CC&B automates
4 field activity dispatching and allows for uploading and downloading to hand-held
5 devices. This in turn allows the field operators to complete field activities in a live
6 environment so that CSR’s (customer service representatives) have the information
7 available to them as soon as the order is completed. Therefore, this enhanced capability
8 allows the Company to more directly, accurately, and quickly respond to its customers
9 who, many times, are not at their premises when they call customer service to inquire
10 about the status of a customer service matter. In addition, customer bills generated by
11 CC&B demonstrate the enhanced information retrieval capabilities of the CC&B system
12 and allow a customer to compare the customer’s consumption to prior months, as well as
13 the same month from the previous year. UI believes this is useful information for
14 customers who desire to be cognizant of consumption trends – which most customers
15 should and do. This enhanced information therefore allows customers the ability to
16 review their account history, to make more informed decisions about their service, and to
17 recognize changes in their service usage. These functionalities either did not exist, or
18 required significantly more time and effort to discharge, under the Legacy system.

19
20 **Q. HAS THIS ALLOWED THE COMPANY TO BECOME MORE EFFICIENT?**

21 A. Yes. Using the enhanced capabilities of our new computer and software systems,
22 we have recently been able to reduce by four the number of customer service
23 representatives located in our West Columbia office and consolidate many of their

1 activities in our Charlotte office. We have retained one customer service liaison in the
2 West Columbia office to serve as a direct interface with our field personnel.

3
4 **Q. WILL THIS REDUCTION IN THE NUMBER OF EMPLOYEES RESULT IN A**
5 **CLOSURE OF THE WEST COLUMBIA OFFICE THE COMPANY**
6 **CURRENTLY USES?**

7 A. No. There will be four operations management and three operations support
8 personnel who will continue to work out of this office, one of whom is the liaison
9 between operations and customer service that I mentioned earlier. In addition, another
10 employee whose function will be to provide administrative services to the management
11 personnel has been added and will also work out of this office. Seventeen field operators
12 who also use the building will continue to work out of the West Columbia office.
13 Therefore, the total number of employees working out of the West Columbia office will
14 be twenty five, which is only three less than before the customer service function was
15 consolidated with the Charlotte office.

16
17 **Q. WILL TEGA CAY EXPERIENCE A DECREASE IN THE VOLUME OF**
18 **CUSTOMER SERVICE REQUIRED AS A RESULT OF THE CONSOLIDATION**
19 **OF IT CUSTOMER SERVICE FUNCTIONS IN THE CHARLOTTE OFFICE?**

20 A. No. The Company will still be serving the same number of customers using the
21 same amount of plant, and therefore will experience the same volume of customer service
22 demands. The difference, however, is that with the consolidated customer service
23 activities made possible by the improvements to our computer and software systems, this
24 work will be performed more efficiently.

1 **Q. WHAT IMPACT WILL THE CONSOLIDATION OF THE CUSTOMER**
2 **SERVICE FUNCTION HAVE ON TEGA CAY’S CUSTOMERS?**

3 A. The impact should be minimal, if any. Customers will continue to be able to
4 discuss service and billing issues with a customer service representative telephonically;
5 with the only difference in that function being that the customer service representative
6 will be located in a different location. This should make no difference to the customer.
7 Customers will not, however, be able to continue making bill payments at our West
8 Columbia office. However, TCWS customers are not located near our West Columbia
9 Office; rather, they are all located in York County. Therefore, we rarely, if ever, have
10 Tega Cay customers coming to the office for any account-related activities such as bill
11 payments. And, the Company has actually expanded the number of locations where bill
12 payments may be made. TCWS’s customers will continue to be able to make bill
13 payments through the mail, via credit card through our 800 number, or by way of
14 automatic bill drafting of their personal checking accounts. In addition, if the
15 Commission approves the proposed modification to our rate schedule to allow for
16 payments via the internet, customers will have the additional option of paying their bills
17 electronically.

18 Each of these changes enhances the service the Company is able to provide to its
19 customers. These improvements allow for quicker, more accurate, and more informative
20 reporting to the Commission and ORS as to its operations. As well, this comprehensive
21 and consolidated system allows the Company to more quickly address customer service
22 issues and to provide the customer with immediate information regarding their account.
23 Therefore, TCWS believes that these improvements have benefitted TCWS and its
24 customers.

1 **Q. MR. DANIEL, YOU ALSO STATED THAT A PURPOSE OF YOUR**
2 **TESTIMONY IS TO SUPPORT THE COMPANY’S REQUEST FOR**
3 **MODIFICATION OF CERTAIN TERMS AND CONDITIONS PERTAINING TO**
4 **THE PROVISION OF THE COMPANY’S SERVICES; WOULD YOU PLEASE**
5 **DESCRIBE THESE MODIFICATIONS?**

6 **A.** Certainly. The Company is proposing to modify its water rate schedule and
7 amend the language set forth in the Company’s current tariff in section seven beginning
8 on page two. Regulations promulgated by DHEC under the State Safe Drinking Water
9 Act require the elimination of cross connections to public water systems which have the
10 potential for contaminating safe drinking water. Typically, a cross-connection in our
11 customer base will consist of a separate water irrigation line which may or may not be
12 metered. The DHEC regulations prohibit any person from installing, permitting to be
13 installed or maintaining a cross-connection unless there is an approved backflow
14 prevention device installed between the public water system and the potential source of
15 contamination. DHEC regulations further require that certain backflow prevention
16 devices be inspected annually by a DHEC certified tester. The modification to our rate
17 schedule provides notice to customers that any cross-connections must be addressed by
18 an approved backflow prevention device, that customers are responsible for the annual
19 inspection, and that customers must provide to the Company the report and results of
20 inspection no later than June 30th of each year. In the event that a customer does not
21 comply with the requirement to perform annual inspections, after 30 days’ written notice,
22 the utility may disconnect water service. The Company has an obligation under the
23 regulation to ensure that no unprotected cross-connections are in place and customers
24 have an obligation under the regulation not to install or maintain unprotected cross-

1 connections. This provision insures that unaffected or compliant customers do not bear
2 the cost of enforcing compliance with this program by other customers.
3

4 **Q. IS THE COMPANY PROPOSING TO MODIFY THE TERMS AND**
5 **CONDITIONS OF ITS RATE SCHEDULE TO PROVIDE FOR ELECTRONIC**
6 **BILLING?**

7 A. Yes, but Company Witness Lubertozi will address those modifications.
8

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.